



**USAID**  
FROM THE AMERICAN PEOPLE

**MOZAMBIQUE**

# CASE STUDY

## Learning How to Improve African Markets

### USAID examines how to make food markets work better



Photo: Michigan State University/Michael Weber

Market analysts exchange information with wholesalers in Xai-Xai City, Mozambique.

***“Market information is helpful but difficult to put into place and sustain,” says Pedro Arlindo, an agriculture market expert.***

### Challenge

Markets work best when timely information about supply and demand conditions is readily available. Putting into place systems to provide this kind of information is one of the most difficult building blocks for functioning food and agricultural markets in Africa. Producing this information is not a profitable business. First, it is expensive, and second, although the benefits to a country's economy are enormous, there is no practical way to charge for its use. Without government input and action, a system for gathering and disseminating reliable market information will not arise.

### Initiative

To learn how to make food and agriculture markets work better in Africa, USAID launched a project in Mozambique to analyze the food market and suggest improvements. The project examined how to provide governments with guidance on policies for promoting economic growth and monitoring the impact of economic reforms. It also identified methods for providing businesses and consumers with timely, accurate, and low-cost information to operate effectively in a free market and make new private investments.

### Results

The project yielded important insights and ideas into how to build a sustainable market information system through partnerships between government and private businesses. USAID and its partners determined that certain conditions must be in place for this kind of exchange to exist, including a political commitment to serving both public and private needs; financial assistance from local, national, and international participants; and constant reassessment of information needs. Based on these observations, the project developed a set of guidelines for building market information systems that will be used in future efforts by USAID and other international donors to build effective, lasting, and sustainable markets throughout Africa. Once they are in place, these information services will bring enormous benefits to ordinary Africans by making the region's food markets more efficient and competitive.